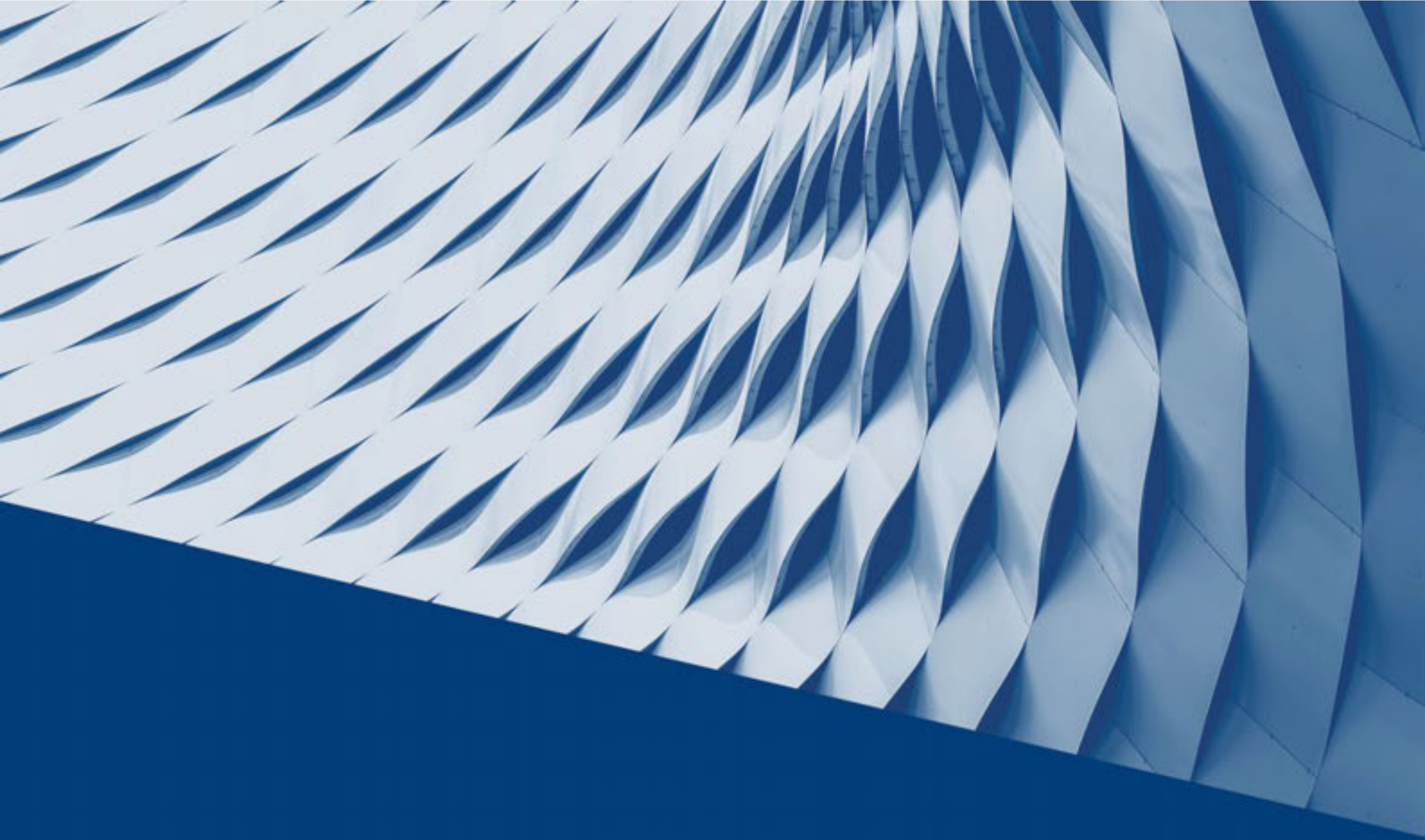

Productivity Commission 5 Pillars Inquiry

ACTU Submission

ACTU D No. 17/2025
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Introduction

Formed in 1927, the Australian Council of Trade Unions (“**the ACTU**”) is the national peak trade union body, consisting of 35 affiliated trade unions with nearly 2 million members across a wide range of occupations and all industries.

The ACTU welcomes the opportunity to provide early thoughts on the Productivity Commission’s “five pillars” inquiry, and looks forward to providing more detailed feedback once the interim discussion papers for each pillar are published.

We note that overall, the inquiry does not examine the issue of gender, particularly as it relates to productivity, which is unfortunate. For example, the productivity benefits of improved women’s workforce participation are substantial. Recent record highs are encouraging, but further work to identify and address barriers would have been helpful. Further, many of the so-called productivity challenges currently facing female-dominated sectors and occupations in the non-market sector, are more problems of measurement, than anything else. Work to better address these challenges would be welcome.

1. Creating a more dynamic and resilient economy

Support business investment through corporate tax reform.

With national productivity languishing around pre-pandemic levels and investment growth stalled, it is important to incentivise investment that improves the efficiency of businesses and workers and raises living standards.

The union movement is concerned by the proposal to lower the corporate tax rate raised by the Productivity Commission. The current corporate tax laws are complex and lack precision and integrity, often resulting in large Australian businesses paying an effective tax rate well below the headline corporate tax rate, if they pay tax in Australia at all. It is unclear what effect lowering the corporate tax rate on would have on business investment when there are many and varied ways for firms to structure in a way that allows them to essentially choose what the effective tax rate will be. The main result may be to lower revenue but leave investment unchanged if integrity issues are not addressed and the base not broadened.

Australia’s corporate tax regime also acts as a *de facto* rent tax on resources and other industries. Contemplation of a lower corporate tax rate without regard to the appropriate taxation of resources and rents will only offer a windfall gain to major companies that earn super profits on Australia’s natural endowments – without any benefit to Australia’s workers or to the budget bottom line. There are also significant issues with the current design of other resources taxes like the Petroleum Resource Rent Tax which, while recently subject to changes, is not expected to raise as much revenue as previously forecast.

Australia's corporate tax system is need of robust reform, and the social licence of Australia's corporate entities is under strain. Priority should be given to broadening the corporate tax base and reforming integrity issues to ensure fairness in the tax system and that adequate revenue is raised to fund services.

Reduce the impact of regulation on business dynamism.

The union movement accepts that inappropriate regulation can hinder the movement of workers to businesses where they can be most productive or otherwise stifle competition that would improve outcomes for consumers.

The union movement is well-disposed to removing inappropriate regulation that stifles competition and prevents resources moving to where they can be most productive. The union movement welcomes the commitment by the Albanese Government to abolish non-compete clauses. Non-compete clauses stop workers changing jobs even if that job will pay them more or if the worker would be a better fit and more productive in that job. This stifles competition and productivity and supresses wage growth. Sensible refinements of regulatory frameworks in this vein would be a welcome outcome of this process.

The union movement's principal concern with this proposal is that calls to cut "red tape" by business groups have in the past been thinly veiled attempts to scale back workers' rights, remove necessary minimum standards that keep workers safe, or lower or suppress wages. The outcomes are that businesses use regulatory changes simply to raise profits and capture a larger share of national income, without a commensurate improvement in productivity or the real wages of Australia's workers.

Further, these calls are often accompanied by demands to remove so-called "green tape" and undermine necessary environmental protections or protections of sites of significance to Australia's Aboriginal and Torres Strait Islander peoples.

As with any institutional reform, there are fruitful reforms that can be pursued to improve efficiency, competition and outcomes for workers through the restructuring or scaling back of bad or duplicative regulation, and the union movement welcomes attempts to do so. However, review processes can just as often be used to pursue the goals of particular sectional interests with ultimately no benefit to workers, the environment, key communities or the national economy.

2. Building a skilled and adaptable workforce

Improve school student outcomes with the best available tools and resources

The Commission's suggestion, based on a similar proposal made by the Grattan Institute, of a common platform for curricula which all teachers would have access to, appears on first consideration to be a commonsense solution to the issue of resource access for teachers and students. It is, however, only with an understanding of the on-the-ground reality of teaching that it becomes clear that the proposal is significantly flawed. It is our view that this proposal introduces a number of tangible risks.

The first such issue is that the availability of a repository of curricula and other materials, despite being presented as optional, is likely to lead to a situation in which their use is mandatory – undermining the importance of teachers planning their own lessons and pedagogical approach. The reality is that many schools already place significant downward pressure on the time available to teachers to plan their curricula, with many teachers forced to do this work in their unpaid time. The existence of a repository of available materials is likely to result in many school administrations deciding that, since materials are now available, teachers need no time to undertake this work and can simply 'use the materials that are already available'. It is through this mechanism that a set of tools introduced initially as an aide to teachers and designed to create a quality floor would become the default and, in many cases, become the quality ceiling.

A second issue is the likely lack of variety in the materials available caused by the significant consolidation occurring in the educational materials market. A long-term trend of mergers and acquisitions in the sector has meant that there are now very few individual providers operating in the market. This means that any repository of commercially available materials is likely to significantly lack variety. This, taken in the context of their use likely becoming mandatory in many schools, raises serious concerns. This will often leave teachers with very little choice about the materials they use – particularly impacting teachers and students from cultural and linguistically diverse backgrounds as well as Aboriginal and Torres Strait Islander peoples as these cohorts are least likely to be served effectively by commercial materials.

Australian unions would strongly counsel the Commission against recommending this proposal.

Occupational Licensing

Occupational licensing can present a minor barrier to the free movement of labour; however, it is essential that this barrier to considered within an understanding of the rationale behind their existence. These licenses are not merely bureaucratic hurdles—they serve a critical function in safeguarding both workers and the public, particularly in high-risk industries. By setting standards for entry and practice, occupational licensing helps ensure competence, safety, and accountability. Moreover, they contribute to positive work outcomes and enhances productivity, reinforcing that such regulations are implemented with purpose and benefit, rather than as arbitrary restrictions.

Occupation licensing and registration plays a key role in keeping workers and the public safe. These licences and registration schemes effectively codify minimum standards in an industry – standards that have been arrived at, often, after years of advocacy by workers and their representatives. Unions reject in principle any contention that the existence of minimum standards is a 'barrier to entry' for any particular occupation or industry beyond the extent to which a driving licence is a 'barrier to entry' for driving. Often, arguments against licensing or registration schemes are fundamentally calls for the lowering of standards within an industry and while it may be the case that lowering standards *may* allow a greater number of workers to be employed in a field, the costs of doing so far outweigh the benefits. These costs include significant downsides such as increased rates of injury, both among workers and the public, and the lower quality of work undertaken in the sector. These outcomes represent the direct economic costs of lowering standards – even when this lowering is done out of a desire to 'harmonise'.

Conversely, workers in areas with higher standards for safety, quality and higher licensing requirements are more productive – their work is likely to be safer for them and the public and higher quality than work undertaken by workers who do not meeting licensing requirements. We must ensure that when we discuss harmonisation, we are careful that we do not justify a lowering of all standards to the lowest common denominator under the delusion that the efficiency of harmonisation will outweigh the costs.

Harmonisation, like anything else, can be done correctly and incorrectly. The right way involves undertaking the hard, but necessary work of lifting licences to a higher common standard across jurisdictions, in concert with industry, prior to recognition across jurisdictions going forward.

To see the real regulatory and economic risks of the opposite approach, we need only look at the issues caused by the Automatic Mutual Recognition (AMR) process undertaken by the previous Government for the electrical licence. Because this process took place without any effort to uplift all jurisdictions to a higher common standard, the amount of red tape that has been created has been significant. Most states have specific AMR requirements. These requirements can include sub-occupations which are exempt from the scheme, rule differences state to state and other requirements. Additionally, due to the jurisdictional licence differences, not all states are participating in the AMR scheme. This has meant that a separate scheme, called Mutual Recognition, has needed to keep functioning in order to cover states and occupations not covered by AMR.

This means that, far from introducing clarity and efficiency, the AMR scheme has resulted in a greater administrative burden for workers and employers and a higher level of complexity for cross-border working for licensed workers. This new model is arguably far less efficient than the previous setting. This is all because the previous government had no desire to spend the time or effort required to work with industry and the jurisdictions to develop a common standard for licensing.

Greater labour mobility should not be used as an argument to lower standards and nor should the perceived desirability of harmonisation be used as an excuse to pursue it at any cost. As AMR has shown, what was initially pursued in the cause of productivity can end up creating additional red tape and administration with little tangible benefit if not properly managed.

Credit Transfer and Recognition of Prior Learning

Nationally, credit transfer and recognition of prior learning processes are currently applied in a patchwork manner, with decisions often coming down to individual discretion. Many educational institutions maintain a simmering hostility towards qualifications or training delivered by other institutions when it comes to credit transfer and recognition of prior learning for workers is rarely undertaken as a matter of course.

The Productivity Commission is correct in identifying these two areas as possible sources of improvement for the sector.

Credit Transfer

The widespread failure of many educational institutions to adequately transfer credits often means students wishing to change institutions or enhance their qualifications in occupations without clear pathways are forced to repeat their learning – resulting in a delay in their entering the workforce and working at a higher skill level and additional cost to the student. Unions often hear reports of departments within the same university refusing to acknowledge credit for subjects delivered by one-another.

However, while this would appear to be an excellent argument for action in this area – it must also be taken as a cautionary tale. The reality is that credit transfer is currently handled in a largely ad-hoc fashion and is done differently, and sometimes only begrudgingly, by most educational institutions. Any measures to improve this process are likely to be complex and will require the buy-in of numerous stakeholders over long periods.

While this means there is great opportunity for improvement, it should not be considered a 'quick win' by any means.

Recognition of Prior Learning

Recognition of Prior Learning (RPL) is in a similar state. Rarely fully carried out, RPL can be a powerful tool for recognising and codifying skills that workers already have and which they, and their employer, are taking for granted. It is of particular value for workers in industries with no requirement for formal qualifications, where workers may have worked for years to gain the skills delivered by an education but would never have that fact recognised without an RPL process.

RPL is similarly valuable in transitioning industries where it has a key role to play in recognising the existing skills of workers and assisting them to understand the different contexts in which those skills might be applied.

RPL however is a complex process and is, when done properly, time consuming. This is important because it ensures that all of a worker's skills are recognised but also that recognition is only extended appropriately - ensuring that high standards are maintained for the formal recognition of skills.

While unions would welcome an improvement to RPL processes and the application of RPL to more workers, we would be greatly concerned about attempts to do so via the lowering of standards or attempts to 'shortcut' a robust and comprehensive RPL process. Similarly to credit transfer, the implementation for some agreed national scheme for RPL or its application as a matter of course to workers would require a lengthy establishment process and the co-operation of numerous stakeholders who are currently ambivalent towards the process.

Improving Business Investment in skills and training

Business investment in skills and training is currently at a low level compared to historical trends. This is true both in terms of the actual spending on training and skills development for staff as well as in-kind contributions to training by employers such as time off for training, delivery of non-accredited training to staff, onboarding and the supervision of apprentices or trainees in the workplace. Businesses have been steadily vacating this space over the previous two or three decades – either leaving workers with less access to training in total or demanding that government, or the worker themselves, fund training that was typically seen as the employer's responsibility.

There is an obvious connection between employer investment in skills and training and productivity. Skilled workers are more productive and are able to work more effectively and efficiently. The changing nature of technology, including the advent of AI, has already created a clear need for workers to have access to ongoing training and education to ensure they are able to harness new technologies and techniques. Failing to invest in training the workforce is a short-term saving for employers that is contributing to slowing productivity growth.

There is currently very little data available on employer investment in training. What data exists is patchy and typically focuses on particularly industries or types of training. It does, however, indicate that significant decreases in employer investment in training are occurring. For example, a recent CEDA report has found that employers are investing less in training and that the proportion of workers who received non-accredited workplace training from their employer has steadily reduced since 2008 – falling from 35% to less than 28% by 2022.[1] Australia needs more comprehensive data on this issue to allow us to understand the extend of the problem. This data needs to be collected systematically across the economy. Once the data has been gathered, which we believe will show a decline (or at least a very low level of current investment), this should be compared with international experiences to determine if there are best practice measures that we can take as a nation to address this issue going forward.

3. Harnessing data and digital technology

Support safe data access and handling through an outcomes-based approach to privacy

Modern technologies have enabled the mass capture of data that track Australians through every facet of their lives. Innovations in Artificial Intelligence has allowed this data to be analysed at an unprecedented scale and speed in often opaque systems. Substantial questions exist as to the

[1] Centre for Economic Development Australia, Learning Curve: Why Australia Needs a Training Boost, CEDA, 2024. https://cedakenticomedia.blob.core.windows.net/cedamediatest/kentico/media/attachments/ceda-why-australia-needs-a-training-boost.pdf

extent to which our current privacy laws ensure adequate protections (and awareness of protections) for consumers, workers, and citizens.

One of the most overt and significant gaps that currently exists concerns the collection, utilisation, and potential on sale of worker data collected through the employment relationship and generated through the conduct of work. The Privacy Act contains far-reaching exemptions for the collection of data of this nature. Current far-reaching exemptions allow employers to use data without restriction after the initial point of collection.

It is notable that the PC's Pillars do not reference the necessity of protecting workers when it comes to the collation and utilisation of data.

In addition, we are concerned to ensure that:

1. Businesses have clear obligations to ensure that data they collate and store are protected and businesses are clearly liable for breaches that may result in this data and personal information being exposed.
2. That there are clear protections that make sure data collected (including that for training AI systems) is legally obtained with its use consented to by those who have provided it, including workers.
3. That businesses have a clear obligation to explain in an accessible and easy to understand manner when they are collecting data from customers and/or workers; what data is being collected; how it is being collected; how it will be stored and what safeguards are in place; and any way in which this data is being used to inform an Automated Decision Making process. This obligation needs to extend beyond burying such material deep in a privacy policy filled with complicated technical language, as is often now the case.
4. This obligation should include processes to ensure consumers and workers have clear avenues to object to the collection of their data and personal information for these purposes. Wherever possible, data collection should be on an opt-in basis.

We are concerned on the relative focus of the PCs intended approach, which does not take into account the need for enhanced privacy protections to ensure the right of the citizen, consumer, and worker is protected in this era of widespread data collation and use. This is not just a social good in its own right, but an integral part of building a social licence for AI in Australia and overcoming the high rates of anxiety and scepticism towards the use of AI that Australians are demonstrating. Building such a social licence has been widely identified across civil society, government, and the tech sector as integral to realising the potential productivity benefits of AI. It is of concern that this is not expressed in the PC's outlined approach.

Unlock the benefits of consumer data through effective access rights and controls.

We support measures that ensure that workers, consumers, and citizens have the right to know and control:

1. What data has been collected about them by business.
2. How that data is being used.
3. In what ways is that data being monetised.
4. What controls and safeguards are in place to protect that data.
5. What controls and safeguards are in place to ensure that data collected is only being used for the original purpose for that collection.

There should be a clear bias towards opt-in processes for data collection; and a right backed by a clear and simple enforceable process to have this data deleted.

The PC has explained it will consider "the costs that different types of data access regimes impose on businesses and how they affect businesses' decisions to invest in collecting and using data."

Any such consideration must be subordinated to the need to uphold and protect the rights of citizens, consumers, and workers to privacy and control over their own data as the primary concern.

The PC has also outlined its focus on how to "enable Australian businesses to compete to build on existing consumer data to deliver new and innovative products, ultimately boosting productivity growth."

As this suggests, data is now a valuable commodity. It can be bought and sold, used to develop and market products, and can drive profitable innovation. As it stands, customers and workers generate data that is then used for businesses to attain profit – creating a commodity. Those workers and customers have generated data, which is then used as a commodity, but receive no recompense for the data they have generated. This violates fundamental market principles.

We strongly recommend the PC should include in its analyses consideration of mechanisms to value the creation of data and ensure appropriate remuneration for customers, workers, and citizens who generate this commodity to be paid by those businesses who utilise it in their operations.

Enhance reporting efficiency, transparency and accuracy through digital financial reporting.

Enable AI's productivity potential.

We are deeply concerned by the PC's approach to ensuring we realise the potential productivity gains of AI.

Unions strongly believe in taking positive action to realise the productivity potential of AI, while mitigating against potential risks that arise from the irresponsible use of these technologies. As is widely established in the academic and technical literature and best-practice case studies across the world, the productivity benefits of AI will be realised through:

1. Effective R&D and further innovation through well-supported research environments (including well-supported and funded university research).
2. Ensuring worker voice is embedded in processes of design, development, implementation, and review, to ensure that the technologies are suited for key priorities within industry by utilising the knowledge and experience of workers.
3. Ensuring appropriate training and skills development for workers (including general uplift in digital literacy) to ensure they are supported to deploy this technology in the most effective manner.
4. Positive and collaborative workplace cultures to encourage experimentation and innovation with mechanisms for consultation and representative worker voice.
5. Appropriate regulations and safeguards to ensure responsible use and to build the social licence of AI.

This has been established by leading academic authorities such as Nobel Laureates Professor Daron Acemoglu and Professor Simon Johnson; by world-leading best practice research at the MIT Sloan School of Management; in analyses of Australian workplaces conducted by the Human Technology Institute at UTS; in studies released by Microsoft and the Tech Council of Australia; as well as more broadly across the academy and by tech experts.

It is striking and of concern that the PCs approach has focused singularly on the question of regulation (with a clear implicit bias towards reducing regulation), and seems to be disengaged or unaware of the substantial amount of expert research that does exist on how to best achieve productivity gains through this new tech. The PC appears to be pre-empting any regulation to reduce the risks and harms of the application of these technologies, given there don't appear to be any regulatory barriers to the adoption or proliferation of AI across workplaces and the market place today.

It is also of concern that the PC would invoke the notion that "market discipline" could be considered a key reason why government action and regulation is not necessary to ensure social and industrial protections are not eroded through the misuse of AI.

We have already seen large employers utilise AI systems in Australia that have facilitated widespread intrusive surveillance, intensified work and undermined WHS, perpetuated bias and discrimination in HR functions (such as rostering), and perpetuated bias and discrimination in sorting candidates for hiring. Such uses have undermined public trust in AI. Such uses are the result of reliance on "market discipline". Without appropriate regulation and support for best-practice utilisation of AI systems, "market discipline" will in fact function as a race to the bottom on rights and conditions, a short-termist cost-cutting approach that will further undermine the potential productivity gains of AI systems.

We strongly encourage the PC to consult the world-leading academic research and best-practice case studies widely available across the academy and industry, which it appears to have thus far ignored, as well as recent and complementary inquiries underway, including on AI guardrails

4. Delivering quality care more efficiently

At all times, our aim for the care sectors must be to provide the highest quality care possible. While efficiency can be a positive outcome for the care sectors, we should ensure that it never becomes the main purpose of the sector nor that it becomes our main goal for it. We should remain cautious and judicious at all times that any proposed reform to the care sectors is made with quality in mind and that we do not undertake projects with any objective other than quality in mind.

Reform of quality safety regulation to support a more cohesive care economy.

Australian unions generally oppose the Commission's proposal that safety and quality regulation should be harmonised across the care sectors to allow for more cross-operation between them. It is generally our view that the attitude that the care sectors are substantially the same and that they are largely interchangeable is fundamentally incorrect and is largely held by those outside the sector with little specific knowledge of the different care contexts, operating environments and needs of the recipients of care in the individual sectors. We also hold some concerns about any reform designed to attract for-profit providers to participate more fully in the care sectors – given that evidence from the childcare[2] and aged care[3] sectors has, in the past, indicated that for-profit providers deliver a lower standard of care.

Unions particularly oppose the harmonisation of quality and safety regulation due to the significant risk that getting these settings wrong can pose to vulnerable people. These safety and quality regulations have been set to meet the specific needs of each sector, and we oppose moves to standardise these regulations for the purpose of making it easier for providers to operate in more than one sector. The core focus should be on the needs of the care recipients, and on ensuring workers have the time, resources, and decent quality jobs to be able to provide the best quality care. The differences that have developed in the regulation of the individual sectors are responses to their specific environments and requirements and do not arbitrarily exist to complicate business administration. Secondly, each of the care sectors currently faces a number of unique challenges and issues which will require bespoke regulatory responses. Requiring that each sector approve of and be subject to new regulations which are attempting to address issues in other sectors would be redundant and may add administrative complexity to the development of these responses – slowing their implementation.

There are however some gaps that unions to see a need to address. Provider information needs to be shared more effectively across sector regulators – allowing regulators to more effectively respond to questionable behaviour in other sectors in real time. An example of this issue arose recently when a provider who had faced significant concerns in the childcare sector was able to begin operating in the NDIS until media reports brought the facts to light.[4] It is clear that a more effective sharing of information between regulators would have prevented this issue.

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[2] Productivity Commission, A path to universal early childhood education and care, Inquiry report – volume 1 (pg.14):
[3] UTS Ageing Research Collaborative (UARC), Australia's Aged Care Sector: Full-Year Report 2023–24 (pg. 52)
[4] https://www.abc.net.au/news/2025-04-29/ex-jumpstart-childcare-operator-thomas-fanous-banned-from-ndis/105205742

There could be greater coordination in worker registration schemes – for example between NDIS worker registration and aged care worker registration - so that workers can work across both sectors. But such coordination is appropriate only where it meets the needs of the care recipients and workers - for example, ECEC qualification requirements/sector requirements are different, and it would not be appropriate to align these with worker registration requirements in aged care and the NDIS.

5. Investing in cheaper, cleaner energy and the net zero transformation.

Reduce the cost of meeting carbon targets

The ACTU's 2024 Congress Policy on Climate and Energy, ratified by all union affiliates, notes that "during the brief period that Australia had a carbon price, emissions fell, the economy grew strongly, and the revenue raised was used to protect households, workers and industries that were vulnerable to the impacts of a carbon price." In a survey of Australian economists conducted by The Economic Society of Australia, 86% identified a carbon price as the most efficient policy to help achieve net zero by 2050[5].

The Productivity Commission's investigation of means to reduce the cost of meeting carbon targets should proceed from these premises, with the goal of internalising the externalities of carbon pollution in line with the principles of carbon pricing. Instruments such as the Safeguard Mechanism, by virtue of applying a stand-alone emissions reduction scheme to a specific set of firms, necessarily introduce inefficiencies of policy implementation. The Commission should explore how these inefficiencies can be minimised by the development of complementary carbon pricing policies for other sectors of the economy. These policies should preference demonstrated on-site emissions abatement, while ensuring the integrity of any offsets relied on for compliance. Unless the Safeguard Mechanism and analogous carbon pricing policies can be demonstrated to reflect the full externalised cost of carbon pollution to the Australian economy, it should not be taken to obviate the need for others form of policy support, including subsidies and incentives for clean industry development and household adoption of renewable technologies.

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[5] Economic Society of Australia. "Australia's top economists back carbon price, say benefits of net-zero outweigh cost." 2021.

The cost of meeting carbon targets would also be reduced by phasing out existing price signals that cut against the achievement of those targets. The COP28 Global Stocktake ratified by all countries party to the UNFCCC--including Australia--called on Parties to contribute to the global effort of "phasing out inefficient fossil fuel subsidies." The Productivity Commission should investigate where and whether such subsidies exist across the economy and propose means by which Australia can enhance its own productivity by contributing to this global effort.

Finally, the PC could also look at other supports, beyond price controls to support the transition to net zero. For example, measure to assist with optimising the use of rail, especially given it is low emissions.

Encourage adaptation by addressing barriers to private investment

As one of the most climate-vulnerable developed countries in the world, Australia must begin investing far more in climate adaptation and resilience across the economy. The 2023 Department of Treasury Intergenerational Report cited a study showing that investments in adaptation and resilience would produce returns of $8.10 by 2050 for every $1 invested, even under a conservative scenario where global temperatures remain at current levels[6].

The Investor Group on Climate Change has put forward a useful initial set of recommendations to unlock more private adaptation finance, including through legislating the National Climate Risk Assessment and National Adaptation Plan, developing sectoral adaptation pathways analogous to the sectoral decarbonisation plans currently in development, improving physical climate hazard and risk data and forecasting, and expanding the Australian Sustainable Finance Taxonomy to incorporate resilience[7].

But the adaptation challenge will also require substantially increased public adaptation investment, as well as government regulatory reform to promote resilience goals. The Productivity Commission should investigate how current Treasury budget costing rules prevent the full accounting of the costs of forecast climate impacts and the benefits of preventative public adaptation finance[8]. For its focus on housing adaptation, the Commission should further investigate the reforms that should be included in the 2028 residential update to the National

[6] Intergenerational Report 2023. Commonwealth of Australia.
[7] Investor Group on Climate Change. "Activating Private Capital for Climate Adaptation." November 2024.
[8] Centre for Policy Development. "Budgeting for Climate Disasters." April 2025.

Construction Code to ensure all new homes incorporate best practice resilience and thermal efficiency.

Speed up approvals for new energy infrastructure

With an average development lead time of 40-50 months for new utility-scale solar and wind projects, approvals for renewable energy infrastructure must be accelerated to meet Australia's emissions reduction goals in line with the Paris Agreement[9]. The Productivity Commission should explore methods of accelerating approvals without sacrificing environmental integrity, First Nations sovereignty, or community support. Think tanks like the U.S.'s Roosevelt Institute have put forward useful cross-applicable suggestions for how these goals can be made complementary, including via long-range land use planning, "batching" of approvals, increasing capacity of approving agencies, and building public renewables and transmission[10].

Speeding up approvals also relies on active cultivation of social license. The Productivity Commission should investigate models for community benefit sharing agreements and other arrangements to guarantee communities benefit from the infrastructure they host. This includes the application of labour conditionalities that promote local hiring and the creation of well-paid, safe, and secure jobs—the most sustainable means of building long-term community support for a new industry.

Finally, the Productivity Commission must include in its investigation of this topic methods for minimising the utility-scale energy infrastructure required to meet Australia's emissions target, thereby maximising the efficiency of existing approvals processing capacity within government. Utility-scale buildout can be minimised through policies to encourage further uptake of distributed energy resources (DER) along with supports for energy efficiency upgrades across the residential and commercial building sectors, as well as industry.

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[9] Lachlan Caplin; Thomas Longden. "Waiting to generate: An analysis of onshore wind and solar PV project development lead-times in Australia." Energy Economics Volume 131, March 2024.
[10] The Roosevelt Institute. "A Progressive Take on Permitting Reform." August 2023.

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